

# SENATE BILL REPORT

## SB 6729

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As Reported By Senate Committee On:  
Labor, Commerce, Research & Development, February 07, 2008

**Title:** An act relating to self-service storage facility late fees.

**Brief Description:** Allowing for reasonable self-storage facility late fees.

**Sponsors:** Senators Murray, Holmquist, Kohl-Welles and Honeyford.

**Brief History:**

**Committee Activity:** Labor, Commerce, Research & Development: 2/5/08, 2/7/08 [DP].

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** Do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, Hewitt, King, Murray and Prentice.

**Staff:** Ingrid Mungia (786-7423)

**Background:** The Washington Self-Service Storage Facility Act (Act) governs the leasing and renting of individual storage units in self-service storage facilities. The Act requires that all rental and lease agreements be in writing. Owners must also comply with certain procedures when addressing past due rent, terminating the rental or lease agreement, placing liens on personal property stored in the unit, and disposing of unclaimed personal property.

**Summary of Bill:** A late fee is defined as a fee or charge assessed by an owner of a self-service storage facility as an estimate of any loss incurred by an owner for an occupant's failure to pay rent when due. A late fee is not a penalty nor an interest on debt. Additionally, a late fee is not a reasonable expense which the owner may incur in the course of collecting unpaid rent, in enforcing the owner's lien rights, or enforcing any other remedy provided by law or contract.

The owner may charge a reasonable late fee if it is written in the rental agreement. A late fee of \$20 or 20 percent of the monthly rental amount, whichever is greater, is deemed reasonable and is not a penalty.

The Act only applies to rental agreements entered into, automatically extended, or automatically renewed after June 9, 1988. Rental agreements entered into before June 9, 1988, and not automatically extended or automatically renewed after that date, remain valid.

**Appropriation:** None.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Currently, there are 1,400 self-storage facilities in the state. Most of these facilities are mom and pop operations. Every once and a while there is an operator who is a little overly aggressive in charging late fees. This bill will help late fees be consistent. This bill brings a certain uniformity to late fees. There needs to be uniformity and fairness to late fees.

**Persons Testifying:** PRO: Patrick Reilly, WA State Self-Storage Association; Don Arsenault, small business operator.